BRITISH COLUMBIA
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BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 07-37 September 14th, 2007

- **July exports up 1.0%; Shipments drop 0.5%**
- **People living alone make up 28% of BC households**
- **Unemployment rate for new immigrants twice as high as for Canadian-born workers in BC**

The Economy

- **The value of BC origin exports increased 1.0% (*seasonally adjusted*) in July, following two months of significant declines.** Energy exports rebounded 10.4%, reflecting the effect of higher export prices for gasoline. Exports of machinery & transportation equipment (+2.9%) were also up. However, agriculture & fish (-8.2%), forestry (-1.7%) and industrial & consumer (-0.6%) product exports showed less promise.

  Exports to the US were off 2.0%, as shipments of agriculture & fish (-7.9%), energy (-4.8%) and machinery & equipment (-3.8%) all slipped. Slight increases in exports of forestry (+0.1%), and industrial & consumer products (+0.8%) south of the border were unable to offset the declines. Shipments to destinations other than the US climbed 5.7%, largely because of sharp escalations in machinery & equipment (+23.8%) and energy (+36.4%) product exports.

  Canadian exports (+1.4%) rose at a pace comparable to that of BC in July, with shipments of automotive products (+7.1%) and machinery & equipment (+6.6%) among those fuelling the growth. Trade in some other goods, including forestry (-0.9%) and energy (-6.6%) products, slowed in July. *Data Source: Statistics Canada & BC Stats*

- **Shipments of goods manufactured in the province inched down 0.5% (*seasonally adjusted*) between June and July.** Durable products continued to see-saw as producers saw shipments fall 1.8%. The value of wood shipments (-2.1%) decreased as manufacturers continued to face low prices for softwood and other wood products. BC producers of primary (-4.0%) and fabricated (-1.5%) metals and transportation equipment (-3.8%) also posted notable declines. On the non-durables side, shipments of plastics & rubber (-5.5%) and food (-0.5%) were lower than in June, but the decrease was offset by the paper (+2.7%) and chemical (+1.3%) industries. Overall, non-durables shipments were up 1.1%.

  Newfoundland & Labrador (-12.3%), PEI (-5.3%), Quebec (-1.3%) and Saskatchewan (-1.3%) were the other provinces where shipments decreased in July. In percentage terms, New Brunswick saw the biggest increase (+5.6% to $1.4 billion) but in terms of dollars, Ontario posted the most significant gain (+5.2% to $24.2 billion). The Canadian total was up 2.3% mainly due to strong increases by transportation equipment manufacturers. Without the effect of the motor vehicle and parts industries, shipments from Canadian factories would have advanced just 0.4% in July.

  Data Source: Statistics Canada

- **Housing starts in the province showed continued volatility in August, climbing 7.1% (*seasonally adjusted*), following a similar decline in the previous month.** Canadian starts were up 5.1%, as most provinces posted increases. Nova Scotia (+33.3%) and Manitoba (+31.4%) recorded double-digit rises, while starts rose more moderately in Alberta (+8.9%), Ontario (+4.0%) and parts of Atlantic Canada. Starts were off in Quebec (-0.6%) and Saskatchewan (-14.8%). *Data Source: Statistics Canada*

- **The cost of new housing in BC's two biggest metropolitan centres continued to climb in July.** Victoria's New Housing Price Index was 1.1% higher than in July 2006, reflecting soaring land values (+13.5%). Housing costs, on the other hand, were lower (-6.1%) in the capital region. Housing (+11.8%) and land (+3.8%) prices both contributed to a 9.2% increase in the Vancouver index. Alberta and Saskatchewan continued to drive up the national housing price index (+7.7%) with Edmonton (+38.4%) and Saskatoon (+51.4%) posting the

Report BC's trade with California

Did you know...
Canadians planned to spend an average of $353 on school-related items this September.
Source: Retail Council of Canada

heftiest increases over July of last year.
Data Source: Statistics Canada

Family Make-up

- **The Census counted 1,161,400 families in the province in 2006, up 6.9% from 2001. BC's increase was above that of the national average (+6.3%).** Of these families, 73% were married, 12% were common-law couples and 15% were lone parents. There were approximately 7,000 same-sex couples in BC in 2006, 20% of whom were married. Same-sex partnerships accounted for 0.7% of all couples in the province, slightly above the national average (0.6%).

  The number of private households increased 7.1% between 2001 and 2006. Households containing just one person represented 28% of the total, while a further 9% had five or more persons. The private households that grew most quickly over the four-year period were those comprised of couples without children (+11.0%) and households with only one person (+10.2%). *Data Source: Statistics Canada, 2006 Census*

Homelessness & Mental Illness

- **In 2005/06, mental disorders accounted for 52% of in-patient hospitalizations in Canada (outside Quebec) among the homeless.** Additionally, approximately 35% of visits to selected emergency departments by homeless people were related to mental and behavioural disorders, a substantially higher proportion than that for other patients (3%). Among emergency department patients recorded as homeless, the most common type of mental disorder was substance abuse (54% of visits), followed by other psychotic disorders (20% of visits), such as schizophrenia.
  Data Source: The Canadian Institute for Health Information

Immigrants and Labour

- **Last year in BC, immigrants of prime working age (aged 25 to 54) who had landed in Canada between 2001 and 2006 had an unemployment rate of 9.3%.** This figure was more than double the 3.7% rate held by Canadian-born British Columbians. For immigrants who landed between 1996 and 2001, the situation improved with the group holding an unemployment rate of 5.1%.

  The national trends paint a similar picture, with very recent immigrants (11.5%) holding an unemployment rate much higher than their Canadian born counterparts (4.9%). Thirty-six percent of immigrants in the identified age group had at least a bachelor's degree, compared to only 22% of the same Canadian-born group. Last year, the unemployment rate for recent immigrants with bachelor's degrees was 11.4%, four times the rate of 2.9% for Canadian-born workers with the same qualifications. Immigrants were more likely to be found working in manufacturing industries, professional, scientific and technical services and accommodation & food service industries. Immigrant women also had more difficulty than landed men in the workforce.
  Data Source: S.C. Cat. #71-606-XIVE

Internet Usage in Rural Canada

- **In 2005, just over half (58%) of residents living in a small-town or rural area accessed the Internet, well below the national average (71%).** Rates in Canada's largest urban areas ranged from 68% in Montreal to 77% in both Ottawa-Gatineau and Calgary. The gap between rural and urban areas may reflect socio-economic factors or may be related to broadband availability. *Data Source: S.C. Cat. #21-006-XIVE*

The Nation

- **Capacity use by Canadian industries increased again in the second quarter between April and June.** Industries operated at 83.0% of their full capacity during the second quarter, up just slightly from 82.8% at the beginning of the year. Sixteen of the 21 industry groups in the manufacturing sector also saw higher capacity use, but the overall increase in manufacturing was dampened by declines in the transportation equipment and wood products industries. Production slowed at forestry and logging (-3.8 percentage points to 83.2%) and mining and oil and gas (-1.8 points to 81.2%) establishments. Meanwhile, utilization remained stable in the construction sector (86.0%). *Data Source: Statistics Canada*

***Infoline** Issue: 07-37*
September 14th, 2007

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

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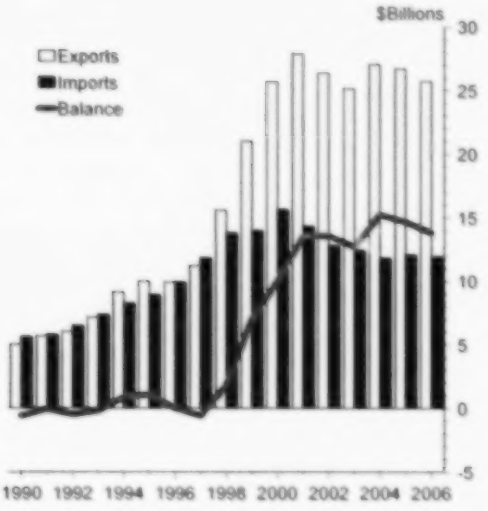
Originally published in
Exports Issue 07-06

B.C.'s Trade with California

Canada and California have had a strong trade relationship virtually dating back to before Confederation, when furs were the dominant export commodity. California is a natural trade partner for Canada. It is similar in population (36 million for California, compared to about 33 million for Canada), has a comparable sized economy, similar culture, and shares many of the same values.

Canada's two-way commodity trade with California stood at almost $38 billion in 2006. Trade between the two regions surged in the late 1990s, due mainly to a jump in Canadian exports. In 1998, the trade balance between Canada and California shifted to a surplus in Canada's favour and that surplus has since grown markedly, sitting at approximately $13.8 billion in 2006.

Canada has had a commodity trade surplus with California since 1998

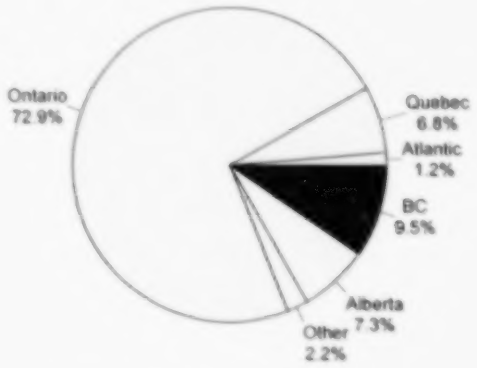


Source: Statistics Canada

The types of goods shipped to the Golden State from Canada have changed significantly from the fur trade days, consisting mainly of machinery and equipment (65%) in 2006. Canadian imports from California are also largely comprised of machinery and equipment (49%), although agricultural product imports are also significant (22%).

British Columbia plays a significant role in trade with California, ranking second in the country as a source for Canadian exports to that state in 2006. Although Ontario was by far the most significant source of goods flowing to California (73%), due mainly to large shipments of machinery and equipment, particularly automobiles and parts, British Columbia exported almost 10% of Canadian goods shipped to California.

BC ranks second in Canada as a source of exports to California

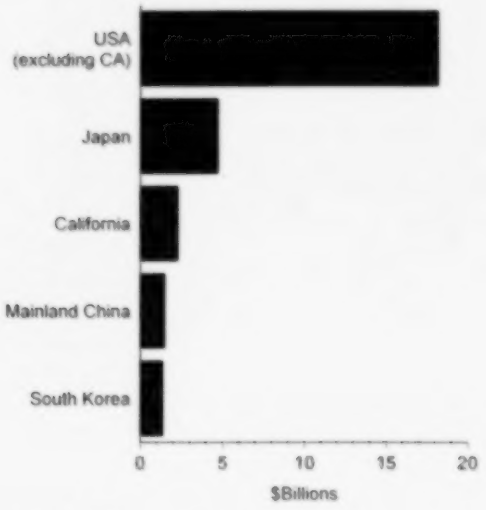


Source: Statistics Canada

California is an important trade partner for British Columbia. The province exported approximately $2.3 billion worth of goods to the Golden State in 2006, which was good enough to rank it third as a destination for BC merchandise, behind only the rest of the

United States and Japan. Shipments to California were valued at almost half that of BC's exports to Japan and were more than 50% greater than the value of goods shipped to Mainland China.

If California were a separate country, it would have ranked third as a destination for BC Exports in 2006

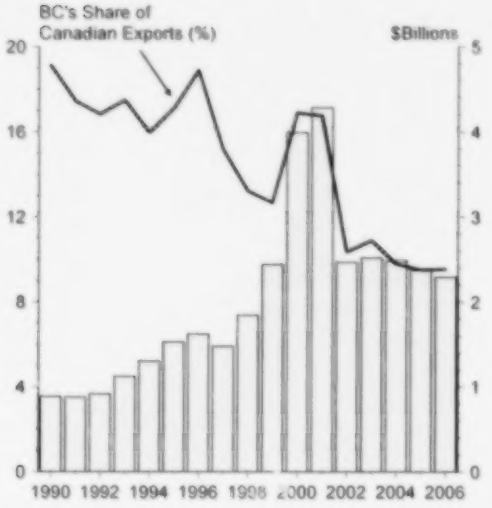


Source: Statistics Canada

The value of BC exports to California climbed steadily through the 1990s, spiking in 2000 and 2001 as the energy crisis in California stoked demand for electricity from British Columbia. Once the crisis abated, prices and exports of electricity dropped and the value of BC's shipments to California levelled off, remaining fairly static over the last five years.

Despite the rise in the value of shipments to California, BC's share of total Canadian exports to the state has been trending down since 1990, falling from a high of 19% in that year, to just under 10% in 2006. Ontario has taken up most of the slack, mainly due to a more than ten fold increase in exports of motor vehicles and parts, from about $1.2 billion in 1990 to $12.7 billion in 2006.

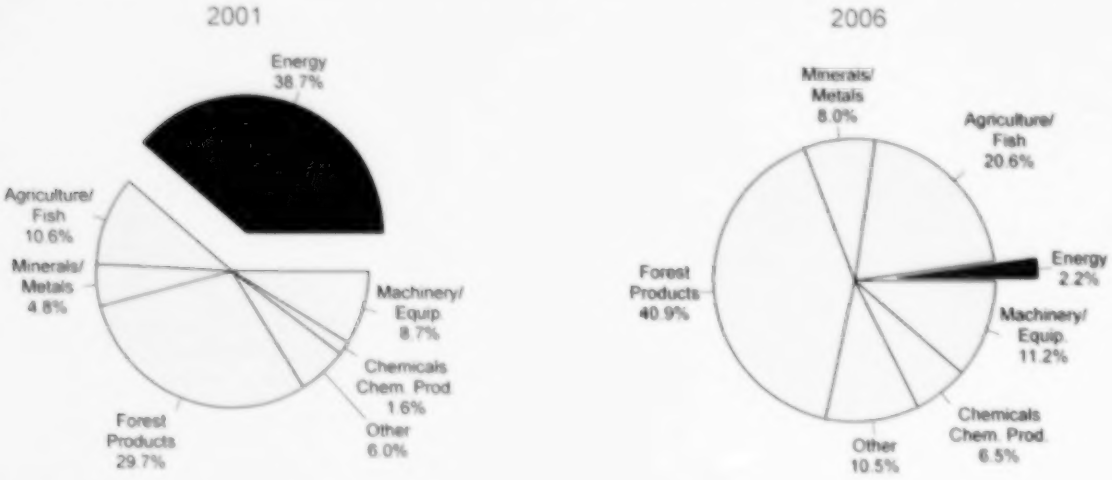
The energy crisis in 2000 and 2001 sparked a surge in exports from BC to California



Source: Statistics Canada

While Ontario's exports to California are comprised mainly of secondary manufactured goods, the majority of BC's exports are derived from its resource sector with only first stage manufacturing (e.g., lumber, metal ingots). Forest products made up almost 41% of the value of goods shipped from BC to California in 2006. Agriculture and fish products were also a significant export, comprising over a quarter (21%) of BC's exports to the Golden State. Machinery and equipment were significant exports as well (11%) and there were other secondary manufactured goods shipped from BC to California, but they were in the minority.

The energy crisis in California in 2000 and 2001 affected the distribution of BC exports to that state



Source: Statistics Canada

The effect of the energy crisis in 2000 and 2001 can be seen clearly when comparing the commodity distribution of BC exports to California in 2001 versus 2006. At almost 39%, exports of energy products topped the list in 2001, but were only about 2% of the value of shipments from BC to California in 2006.

It is clear that California is an important destination for BC products, but trade in services between the two regions is also significant. California is a popular tourist destination for Canadians and, similarly, Canada is a popular place to visit for Californians. In 2005, around one million Canadians travelled to California, spending approximately $US 710 million, while 877,000 people from California visited Canada and spent around $US 504 million.[1] Among the most popular areas in Canada for California visitors were BC destinations such as Vancouver, Victoria and the Canadian Rockies.

BC's film and television industry also has close ties to California, although there are many in the industry in California that oppose filming in BC because they feel it is impinging upon their own opportunities for employment. Nevertheless, many of the productions shot in BC are tied to studios based in California and often much of the post-production work and editing is done in that state.

The film industry is just one area where there are opportunities for partnerships between BC and California. The visit by Governor Schwarzenegger earlier this year highlighted the goal of developing a "hydrogen highway" from BC to Baja California to promote the use of fuel cell technology in automobiles. However, there are many other examples where California has developed partner-

[1] Bay Area Economic Forum (2007), "Shared Values, Shared Vision: California's Economic Ties with Canada," p. 17

ships with Canadians in BC and other parts of the country. These include research projects in areas such as stem cells, cancer and other diseases, high technology and telecommunications, just to name a few. The size of California's economy and the complementary nature of its industry and culture make it an important trade partner for BC and Canada as a whole and this relationship will likely continue to develop.

Infoline

September 14, 2007
Issue 07-37

fax transmission information service from BC Stats

Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Apr 1/07	% change on one year ago
BC	4,352.8	1.3
Canada	32,852.8	1.0
GDP and INCOME (Released Apr 25)		
(BC - at market prices)	2006	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	179,701	6.4
GDP *($ 1997 millions)*	150,741	3.6
GDP *($ 1997 per Capita)*	34,971	2.3
Personal Disposable Income *($ 1997 per Capita)*	21,984	4.8
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jul	3,461	-0.5
Merchandise Exports - Jul	2,659	1.0
Retail Sales - Jun	4,729	0.0
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Jul 2007)		
BC	1.6	1.7
Vancouver	2.0	2.2
Victoria	0.8	1.3
Canada	2.2	1.8
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Aug '07	prev. month
Labour Force - BC	2,360	0.2
Employed - BC	2,266	0.4
Unemployed - BC	94	-3.9
		Jul '07
Unemployment Rate - BC *(percent)*	4.0	4.1
Unemployment Rate - Canada *(percent)*	6.0	6.0
INTEREST RATES (percent)	Sep 12/07	Sep 13/06
Prime Business Rate	6.25	6.00
Conventional Mortgages - 1 year	7.05	6.40
- 5 year	7.24	6.75
US/CANADA EXCHANGE RATE	Sep 12/07	Sep 13/06
(avg. noon spot rate) Cdn $	1.0371	1.1191
US $ *(reciprocal of the closing rate)*	0.9652	0.8926
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Aug '07	one year ago
BC	756.53	3.9
Canada	761.97	3.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Environmental Statistics Portal

A new Environmental Statistics page with links to a variety of data and reports related to different environmental issues has been added to the site. The first issue of a new BC Stats periodical, "Environmental Statistics," can be accessed from this page. It is a reprint of an "Exports" article, with some additional data tables.

www.bcstats.gov.bc.ca/data/env/env_stat.asp

Regional Employment Projections

BC Stats, with the financial assistance of the Ministry of Advanced Education, developed the Regional Employment Projection Model (REPM), designed to project industrial and occupational employment in regions of the Province of British Columbia. The model projects employment at the Regional District level and then aggregates back up to the College Region for reporting purposes.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Socio-Economic Profiles & Indices

The 2006 edition of these widely-monitored reports provide the most complete and up-to-date basis for measuring and comparing the social and economic dimensions of regions in the province. Released April 4.

www.bcstats.gov.bc.ca/data/sep/index.asp

Released this week by BC Stats

- Earnings and Employment Trends, August 2007 Exports, July 2007
- 2006 Census: Marital Status, incl. common-law; Families and Households; Housing and Shelter Costs, incl. dwelling characteristics (Wed. 12th)
- Tourism Sector Monitor, August 2007

Next week

- Consumer Price Index, August 2007

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